

Nepal Finance Limited
Disclosure Under Basel II
As at 4th Quarter End of FY 2020/2021

(NRs in thousand unless specified)

1 Tier 1 Core Capital and Breakdown of its Components:

S.N	Particular	Amount
a	Paid up Equity Share Capital	493,496.44
b	Irredeemable Non-cumulative preference shares	-
c	Share Premium	21,957.20
d	Proposed Bonus Equity Shares	-
e	Statutory General Reserves	200,285.62
f	Retained Earnings	(409,854.81)
g	Un-audited current year cumulative profit/(loss)	118,252.56
h	Capital Redemption Reserve	-
i	Capital Adjustment Reserve	74,142.60
j	Dividend Equalization Reserves	-
k	Other Free Reserve	-
l	Less: Goodwill	-
m	Less: Deferred Tax Assets	19,587.16
n	Less: Fictitious Assets	-
o	Less: Investment in equity in licensed Financial Institutions	-
p	Less: Investment in equity of institutions with financial interests	-
q	Less: Investment in equity of institutions in excess of limits	-
r	Less: Investments arising out of underwriting commitments	-
s	Less: Reciprocal crossholdings	-
t	Less: Purchase of land & building in excess of limit and unutilized	-
u	Less: Other Deductions	-
Total Tire 1 Core Capital		478,692.45

2 Tier 2 Supplementary Capital and Breakdown of its Components:

Sn	Particular	Amount
a	Cumulative and/or Redeemable Preference Share	-
b	Subordinated Term Debt	-
c	Hybrid Capital Instruments	-
d	General loan loss provision	4,848.49
e	Exchange Equalization Reserve	-
f	Investment Adjustment Reserve	-
g	Asset Revaluation Reserve	-
h	Other Reserves	-
Total Tier 2 Capital		4,848.49

3 Total Qualifying Capital

Particular	Amount
Core Capital (Tire 1)	478,692.45
Supplementary Capital (Tire 2)	4,848.49
Total Capital Fund	483,540.94

4 Risk Weighted exposures under each 11 catagories of Credit Risk

Balance Sheet Exposures	Risk Weighted Exposures
1. Claims on government & Central Bank	86,508.93
2. Claims on other Official entities	
3. Claims on Banks	749,793.79

4. Claims on Corporate & Securities firm	
Claims on Domestic Corporates (Unrated)	40,642.95
5. Claims on regulatory retail Portfolio	
a. Claims on Regulatory Retail Portfolio (Not Overdue)	8,613.56
b. Claims fulfilling all criterion of regulatory retail except granularity	157,905.01
6. Claims secured by residential properties	
a. Claims secured by residential properties	29,088.83
b. Claims not fully secured by residential properties	
c. Claims secured by residential properties (Overdue)	14,020.00
7. Claims secured by Commercial real estate	
8. Past due claims (except for claim secured by residential properties)	246,736.68
9. High Risk claims	
a. High Risk claims	
b. Lending Against Securities (Bonds & Shares)	41,410.23
10. Other Assets	
a. Investments in equity and other capital instruments of institutions listed in stock exchange	87,307.90
b. Staff loan secured by residential property	
c. Interest Receivable/claim on government securities	
d. Other Assets (as per attachment)	154,627.67
11. Total Off Balance Sheet Items	
Total RWE for credit Risk	1,616,655.54

5 Risk Weighted exposures for Credit Risk, Market Risk and Operational Risk

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	677,292.92
Risk Weighted Exposure for Operational Risk	51,115.87
Risk Weighted Exposure for Market Risk	-
Total	728,408.79

6 Eligible Credit Risk Mitigation

Eligible Credit Risk Mitigations	Amount
Deposits with bank	2,378.50
Gold	
Total Eligible CRM	2,378.50

7 Total Risk Weight Exposures Calculation Table

Risk Weighted Exposures	Amount
Risk Weighted Exposure for Credit Risk	677,292.92
Risk Weighted Exposure for Operational Risk	51,115.87
Risk Weighted Exposure for Market Risk	-
Total Core Capital to Risk Weighted Exposure	65.72
Total Capital To Total Risk Weighted Exposures	66.38

8 Amount of Non Performing Assets (Both Gross Net)

Particulars	Amount	Loan Loss Provision	Net NPL
Restructured	-	-	-
Sub-Standard	15,950.00	3,987.50	11,962.50
Doubtful	345.84	172.92	172.92
Loss	234,461.01	234,461.01	-
Total	250,756.85	238,621.43	12,135.42

9 Non Performing Assets (NPA Ratios)

NPA Ratios	Percentage
Gross NPA to Gross Advances	44.35%
Net NPA to Net Advance	3.77%

10 Movement in Non Performing Assets

Particular	This Quarter	Previous Quarter	Change %
Non Performing Assets (Volume)	250,756.85	60,357.59	315.45
Non Performing Assets (%)	44.35%	20.52%	116.17%

Note: after acquired of Lalitpur Finance Limited NPL amount increased By 190,399.26

11 Write off of Loans and Interest in the Quarter

Particulars	Amount
Write off Loans during the Quarter	
Write off Interest Suspnses Quarter	-
Total	-

12 Movement in Loan Loss Provision and Interest Suspense

Particulars	This Quarter	Previous Quarter	Change%
Loan Loss Provision	253,750.07	62,883.55	303.52
Interest Suspense	545,066.98	202,066.03	169.75

Note: After Acquistition of Lalitpur Finance Limited Loan Loss Provision amount increased by NRs 190,035K & interest suspense amount increase By 343,000.95

13 Details of Additional Loan Loss Provision

None

14 Segregation of investment Portfolio

Particular	15-Jul-21
Held for Trading	
Held to Maturity	4,494.60
Available for Sale	82,813.30